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House of Representatives

Mr. SMITH of New Jersey: Mr. Speaker, like most Americans, I believe we urgently need health care reform to provide every American access to high-quality medical care.

During the long and painful illnesses of both my parents, I had to fight with their health management organization to get them the care they deserved. Their HMO put my family through months of frustration and anguish. I know I'm not alone—tens of millions of Americans have gone through this as well. It's not right, and it's time to change that. Americans need more protection, power, and say in their health care programs, and they need us to reform the system to make it more affordable for everyone.

Regrettably, H.R. 3962, the bill before the House tonight, not only falls short, but it will make most people's health care worse, and it will certainly disempower all of us. For this reason I strongly oppose the bill—H.R. 3962.

After carefully studying H.R. 3962, I am concerned that the bill is actually a step backwards—many patients will have less, not more, access to and say over their health care if H.R. 3962 is enacted. I firmly believe we can and must reform our health care system and provide better solutions for those currently uninsured or underinsured. But we must do so without jeopardizing the quality of health care for these currently insured people and families, many of whom will see their own health care access and quality seriously eroded under the bill.

H.R. 3962 will:

Limit patient access by establishing federal bureaucracies with new authority to determine what medical treatments and services will be covered at,

what costs patients will pay—Americans will be so disadvantaged that this bill makes those who don't purchase “acceptable” coverage (as defined by the federal government) subject to criminal fines and imprisonment up to 5 years.

Cause most Americans to lose access to their current health insurance coverage and force them into a nationally uniform public plan. It will do this by subsidizing a government-run “public plan” that will ultimately drive private health plans out of business. Most Americans don't want to lose their current insurance, and they trust the public plan even less than they trust private insurance, which at least has to compete for customers, and permits them to choose their doctors. This would hit my constituents especially hard—according to the Urban Institute, approximately 90% of the people in my district currently have health coverage;

Slash payments to health-care providers, threatening the continued existence of many hospitals, home health and skilled nursing facilities serving New Jersey residents.

Madam Speaker, throughout my career in Congress, I have been a steadfast supporter of Medicare for our senior citizens and the disabled. I have voted several times to preserve and protect Medicare even when I stood alone in my own party rejecting a proposal to cut \$270 billion from Medicare in 1995.

That is why I find it absolutely unacceptable that H.R. 3962 cuts Medicare by a whopping \$500 billion. Proponents argue that some funding will be returned through other avenues. But even if that were true, Medicare will still be drastically cut by a net of \$219.4 billion, in their “best case scenario.”

The bill also guts Medicare Advantage plans, which offer additional coverage to over 11 million seniors—15,983 in my district alone—who choose Medicare Advantage plans as the coverage that best meets their needs.

I will not vote for massive cuts in Medicare. These cuts will wreak havoc on our nation's health care system and everyone it serves, particularly the seniors and disabled. We need reform legislation that respects all human life, the most vulnerable among us which includes the frail and the disabled of all ages.

Finally, this bill will hinder economic recovery and job creation during a major recession. Just yesterday the nation's unemployment rate rose above 10 percent for the first time since 1983, and if you include those who have stopped looking for jobs and those who can only find part-time work, the rate is 17.5 percent. The bill does additional harm by:

Raising taxes on individuals and small businesses by \$729.5 billion;

Failing to reform our costly and unfair system of medical liability lawsuits, which inflates health care costs by billions of dollars each year, exceeding 10% of all health care expenditures;

Mandating a \$34 billion expansion of state Medicaid payments—in order to cover this massive increase, financially strapped states like New Jersey will have to cut other services; and

Costing the taxpayer, according to the Congressional Budget Office (CBO), \$1.3 trillion over ten years and using budget gimmicks and tax increases to cover that cost.

I must mention two other serious problems with the bill:

It does not adequately protect the freedom of conscience of health care providers opposed to abortion, and sets up mechanisms that ration care by creating government “waiting lists” if there are insufficient funds to pay expenses; and

It does not require patients to verify their identity, which, according to the CBO, means that millions undocumented immigrants will receive free health care, unfairly subsidized by taxpaying citizens.

It is truly unfortunate that the Democratic leadership did not work to put forth a health care reform bill that

addressed these concerns. We need a proposal that advances solutions rather than creates new problems. Let me be clear, I take a back seat to no one when it comes to working to ensure that the federal government accepts its role and is doing its part in helping people and providing a health care safety net for those in desperate need of health care support. I am proud of my record, voting to defeat cuts to and expand existing federal health care programs, while working to protect patient rights and the delivery of quality medical care. These efforts include:

Medicare/Medicaid/SCHIP. I support providing our senior citizens a high level of benefits under the Medicare program. On one occasion, I voted against a \$270 billion reduction in Medicare spending. One reason I cannot support the current health care legislation is because it makes over \$500 billion in cuts to Medicare. To expand health insurance to more uninsured low-income children, I voted in 1997 for legislation creating the State Children's Health Insurance Program (SCHIP) and voted last year to expand the program. SCHIP and Medicaid together cover more than 30 million low-income children, as well as 16 million adults, 6 million seniors, and 10 million persons with disabilities. That is why I have been so adamant about protecting those programs.

Community Health Centers. Federally designated community health centers are another effective means to get affordable health care to underserved communities. The health centers program includes community, migrant, homeless, and public housing health centers and provides primary and preventive care to more than 18 million individuals at over 3,700 sites located in every state and U.S. territory. I have been a consistent supporter of increased funding for the community health centers program. A significant factor in the success of community health centers is that they are managed at the community level with a concern for serving their clients in their local neighborhoods.

Veterans Health Care. As former Chairman of the House Committee on Veterans' Affairs, I fought successfully (and sometimes nearly alone) to provide increased medical services and funding for veterans health care programs. I wrote several laws to boost and expand veterans health care, including the Department of Veterans Affairs Health Care Programs Enhancement Act (PL 107-135), which expanded and enhanced veterans' healthcare services and reduced out-of-pocket costs for low income veterans by 80 percent and continues to help disabled veterans obtain the tools they need to live fuller lives. I also wrote the law, the Veterans Health Programs Improvement Act of 2004

(PL 108-422), that created 5 poly-trauma centers within the VA, and an additional 17 networked sites, that specialize in treating complex multi-trauma injuries—including severe brain injury—associated with combat injuries from Iraq and Afghanistan.

Health Care Caucuses. Working with my colleagues across the aisle, I have cofounded and currently co-chair important bipartisan health care working groups, i.e. caucuses, which aim to educate Members of Congress and increase federal resources and research on treatments and cures for specific diseases, some which effect New Jersey residents disproportionately. For instance, I serve as cochairman of the bipartisan Congressional Alzheimer's Task Force; the Coalition for Autism Research and Education; the Spina Bifida Caucus; and the Lyme Disease Caucus. Each caucus has served as an effective forum to advance legislation that helps families combating health care challenges;

Patients Rights. As far back as 2001, I cosponsored and voted for the Patient Protection Act which contained critical patient protections to help put doctors and patients back in control of their health care decisions, rather than bureaucrats at managed care companies. Unfortunately, while separate bills passed the House and the Senate, they were never signed into law.

Insurance Reform. I voted for the Health Insurance Portability and Accountability Act of 1996 (HIPPA), which provided insurability protections for individuals moving between insurance plans in the individual or group markets and reduced or eliminated preexisting medical condition exclusion periods for such individuals. I have also been a strong advocate for allowing small businesses, associations, and non-profit organizations to band together to purchase health insurance. In acquiring health insurance, small businesses do not enjoy the benefits of economies of scale of large businesses, which allows those large businesses to spread administrative costs over a large base and provide significant leverage in negotiating lower premiums. Over 50 percent of the nation's uninsured are employed in a small business or are a dependent of such a worker.

Medical Malpractice Reform. The House of Representatives has voted to pass medical liability reform legislation with my support eight times in the past 15 years. These bills—which sought to place a cap on non-economic damages, limit punitive damages, and restrict attorneys' fees—were modeled after a California law that many credited for relatively low malpractice premiums in the state.

While we have had some significant successes in these critical areas expanding—frequently after much toil—it is indisputable that more comprehensive changes are needed, including major reforms of the private health insurance market.

The goal of responsible health care reform should be to provide credible health insurance coverage for everyone, strengthening the health care safety net so that no one is left out, and incentivizing quality and innovation, as well as healthy behaviors and prevention. This means that the current private health insurance market will have to be reformed to put patients first, and to eliminate denials for preexisting conditions and lifetime caps and promoting portability between jobs and geographic areas, including across state lines. The tax code should be modernized to promote affordability and individual control, provide assistance to low-income and middleclass families. Medicare requires reform to be more efficient and responsive, with sustainable payment rates.

Of course responsible health care reform will respect basic principles of justice: it will put patients and their doctors in charge of medical decisions, not insurance companies or government bureaucrats. It will also ensure that the lives and health of all persons are respected regardless of stage of development, age or disability.

The Republican alternative amendment does these things. It focuses on lowering health care premiums for families and small businesses, increasing access to affordable, high-quality care, and promoting healthier lifestyles—without increasing taxes or adding to the crushing debt Washington has placed on our children and grandchildren and without cutting Medicare. It also establishes a real conscience protection for health care providers and it requires verification of citizenship and identity.

I oppose H.R. 3962 because in many ways it jeopardizes coverage for those who already have it, especially seniors and the disabled. At the same time it exercises far too much top-down government control, forcing everyone toward a government plan, controlling exactly what sort of care will be offered. For this reason I support the Republican alternative amendment. It moves significantly in the right direction while applying the wisdom of Hippocrates' first principle of medicine: doing no harm.